

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6290

BILL NUMBER: HB 1142

NOTE PREPARED: Jan 27, 2010

BILL AMENDED: Jan 26, 2010

SUBJECT: Agricultural Matters.

FIRST AUTHOR: Rep. Blanton

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Committee on Agricultural Safety and Production*. The bill establishes the Committee on Agricultural Safety and Production.

Price Preference. The bill requires a governmental body to give a 10% price preference for agricultural products grown, produced, or processed in Indiana.

Agriculture Safety Programs: It requires the Department of Agriculture (ISDA) to promote agriculture safety programs.

Effective Date: July 1, 2010.

Explanation of State Expenditures: (Revised) *Committee on Agricultural Safety and Production*. The committee must operate under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$9,500 per interim for committees with fewer than 16 members and \$16,500 for committees with 16 members or more. Actual expenditures will depend on the membership of the committee and the number of times the committee meets.

(Revised) *Agriculture Safety Programs.* The ISDA must promote agricultural safety programs. The bill's requirements are within the ISDA's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

(Revised) *Price Preference.* Specifying a 10% preference could increase costs. However, the impact that this

provision will have on state expenditures is indeterminable. Executive Order 05-05 directs that state government aim to spend at least 90 cents of each Hoosier tax dollar that is used to buy goods and services with Indiana businesses. The IDOA reports the Buy Indiana program has had no discernable effect on state expenditures.

(Revised) *Background:* Currently, there is a price preference given for supplies purchased from an Indiana business, ranging from 1% to 5% based on the expected purchase dollar amount. The price preference does not apply if only Indiana businesses respond with offers, or when the offeror is a business located in another state that has preferences which do not exceed Indiana's.

The origin of food products could be difficult to trace. For example, Indiana agricultural products are sent to a regional collection facility where the products may be joined by out-of-state products or distributed out of state. Some products may be produced using a combination of products from in and out of state. Other state products, such as Red Gold, could be identified as solely Indiana products.

Explanation of State Revenues:

Explanation of Local Expenditures: *Price Preference.* (See *Explanation of State Expenditures* above.)

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

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